

FISCAL NOTE

Bill #: SB0109

Title: Require state agencies to develop strategic plans, performance measures

Primary Sponsor: Cobb, J

Status: As Introduced

Sponsor signature

Date

David Ewer, Budget Director

Date

Fiscal Summary

	FY 2006 Difference	FY 2007 Difference
Expenditures:		
General Fund	\$181,436	\$143,394
State Special Revenue	\$47,900	\$10,000
Federal Special Revenue	\$8,607	\$0
Revenue:		
General Fund	\$0	\$0
State Special Revenue	\$0	\$0
Federal Special Revenue	\$0	\$0
Net Impact on General Fund Balance:	(\$181,436)	(\$143,394)

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|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. The following agencies believe they can absorb the impact of this legislation within current operating budgets or cannot identify the fiscal impact: Commissioner of Political Practices, Montana School for the Deaf and Blind, Consumer Council, Montana Board of Crime Control, Montana Arts Council, Board of Public Education, Appellate Defender, Public Service Commission, Department of Natural Resources and Conservation, Department of Livestock, Department of Public Health and Human Services, the State Auditor's Office, Montana State Fund, Secretary of State, the Department of Military Affairs, Legislative Branch, Judicial Branch, Office of Public Instruction, Department of Commerce, Montana State Library and the Montana University System.

Department of Justice

2. The Department of Justice will need to contract with a consultant for implementation of the strategic plan. The estimated cost is \$20,000 for FY 2006.

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3. It is estimated that 2.00 FTE, grade 13 budget analysts would be needed to maintain and monitor the performance measures and strategic plan. Personal service costs for salary and benefits are \$69,544 per year (\$34,772 x 2).
4. Regular operating costs would be \$12,906 in FY 2006 and \$6,954 in FY 2007. FY 2006 costs include \$5,952 for new employee package for desks, chairs, file cabinets, and computers (\$2,976 x 2). In addition, operating costs of \$6,954 a year, are included for both years for phones, supplies, travel, and training.

Montana Historical Society

5. The Historical Society will require a 0.50 FTE, grade 14 position plus operating expenses to meet the requirements of the bill. Personal services costs would be \$18,362 per year plus \$6,453 in operating in FY 2006 and \$3,477 in operating in FY 2007.

Department of Fish, Wildlife and Parks

6. The Department of Fish, Wildlife and Parks has developed strategic and operational plans for the department's programs that cover the period 2000 – 2006.
7. Outcomes and performance measures are identified in the plans.
8. The department can comply with this bill using existing staff. However, this bill requires that performance measures be updated in even-numbered years and reports prepared for the Legislative Interim Committee. The department will need an additional \$10,000 in operations to update and print the final reports.

Department of Environmental Quality

9. The department would use existing staff to develop and implement the strategic plan and to measure performance on key objectives.
10. The department already is required to develop measurable goals and objectives on key processes.
11. The department estimates that approximately 250 hours of department staff time would be required in developing, implementing, measuring and reporting on the strategic plan and performance measures.

Department of Revenue

12. Implementation of this bill will require the addition of 1.00 FTE performance manager in the Department of Revenue. Personal services costs would be \$41,718 per year plus \$6,453 in operating in FY 2006 and \$3,477 in operating in FY 2007.

Department of Agriculture

13. The Department of Agriculture operates 24 programs, relying on advice from 10 advisory boards and committees.
14. Strategic plans would require one or more additional meetings of advisory groups, at a cost of approximately \$2,000 per meeting.
15. Agricultural Marketing staff had planned to complete a strategic plan on Growth Through Agriculture programs. Costs for that planning effort were budgeted in the 2007 biennium and are not included.
16. Agricultural Sciences Division has no planners on staff, and anticipates the need to hire a contractor at \$25,000 to coordinate strategic plans for 17 programs, plus \$12,000 in meetings and operating costs.

Department of Labor & Industry

17. The Department of Labor & Industry estimates that top management, including the Commissioner of Labor, division administrators, chief legal counsel, and chief of human resources will spend a minimum of 100 hours per year complying with the requirements of SB 109. The department estimates that additional middle management and line-staff in each division will spend a similar amount of time instituting the plan, and tracking outputs. Total time spent by departmental staff each year could exceed 2000 hours (20 total staff X 100 hours annually), costing more than \$50,000 (2000 hours X \$25 per hour average personal service costs).
18. The department will absorb the costs of SB 109 within its existing staff.

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FISCAL IMPACT:

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Department of Justice		
FTE	2.00	2.00
<u>Expenditures:</u>		
Personal Services	69,544	69,544
Operating Expenses	<u>32,906</u>	<u>6,954</u>
TOTAL	\$102,450	\$76,498
<u>Funding of Expenditures:</u>		
General Fund (01)	\$102,450	\$76,498
Montana Historical Society		
FTE	0.50	0.50
<u>Expenditures:</u>		
Personal Services	18,362	18,362
Operating Expenses	<u>6,453</u>	<u>3,477</u>
TOTAL	\$24,815	\$21,839
<u>Funding of Expenditures:</u>		
General Fund (01)	\$24,815	\$21,839
Fish, Wildlife and Parks		
<u>Expenditures:</u>		
Operating Expenses	10,000	10,000
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	10,000	10,000
Department of Revenue		
FTE	1.00	1.00
<u>Expenditures:</u>		
Personal Services	41,718	41,580
Operating Expenses	<u>6,453</u>	<u>3,477</u>
TOTAL	\$48,171	\$45,057
<u>Funding of Expenditures:</u>		
General Fund (01)	\$48,171	\$45,057
Department of Agriculture		
<u>Expenditures:</u>		

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Operating Expenses	\$55,000	\$0
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Funding of Expenditures:

General Fund (01)	\$6,000	\$0
State Special Revenue (02)	\$37,900	\$0
Federal Special Revenue (03)	<u>\$11,100</u>	<u>\$0</u>
TOTAL	\$55,000	\$0

All Agencies - Total

FTE	3.50	3.50
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Expenditures:

Personal Services	129,624	129,486
Operating Expenses	<u>110,812</u>	<u>23,908</u>
TOTAL	\$240,436	\$153,394

Funding of Expenditures:

General Fund (01)	181,436	143,394
State Special Revenue (02)	47,900	10,000
Federal Special Revenue (03)	<u>8,607</u>	<u>\$0</u>
TOTAL	\$240,436	\$153,394

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	(\$181,436)	(\$143,394)
State Special Revenue (02)	(\$47,900)	(\$10,000)
Federal Special Revenue (03)	(\$8,607)	\$0